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Item 8 (a) of the provisional agenda
Report on the work of the Conference of European Statisticians, its Bureau and Teams of Specialists

Report of the Group of Experts on Quality of Employment

Note by the secretariat

Addendum

Summary

The Conference of European Statisticians, at its sixty-first plenary session in June 2013, approved the activities undertaken under the UNECE Statistical Programme 2013, and endorsed the list of meetings planned to be organised from June 2012 to June 2013, as provided in document ECE/CES/85 (Report of the sixty-first plenary session of the Conference of European Statisticians, ECE/CES/85, para. 71). This list included a meeting of the Group of Experts on Quality of Employment, which was held in Geneva on 11-13 September 2013.

The present document is the report of that Group of Experts and is provided to inform the Conference of European Statisticians of the organization and outcomes of the meeting.

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I. Introduction

1. The Meeting on Measuring of Quality of Employment was organized by the United Nations Economic Commission for Europe (UNECE) in cooperation with the International Labour Office (ILO), the Statistical Office of European Communities (Eurostat) and Statistics Canada. This meeting was attended by participants from Azerbaijan, Canada, Finland, Germany, Ireland, Israel, Italy, Luxembourg, Poland, Republic of Moldova, Slovenia, Switzerland and the United Kingdom. The European Union was represented by the European Commission (Eurostat) and European Foundation for the Improvement of Living and Working Conditions (Eurofound). The ILO, OECD and UNECE were present as well as an expert from the non-governmental organization Women in Informal Employment: Globalizing and Organizing (WIEGO).

2. Mr. Thomas Körner (Germany) chaired the meeting.

II. Review of the work of the Expert Group on Measuring Quality of Employment

3. The chair of the Expert Group on Measuring Quality of Employment (EGMQE), Mr. Thomas Körner (Germany), presented the background and objectives of the work of the expert group. The group was established by the Bureau of the Conference of European Statisticians (CES) in February 2012 with the following objectives:

(a) Revise the conceptual structure of measuring quality of employment as outlined in the Report on Potential Indicators for Measurement of Quality of Employment;

(b) Revise the set of indicators of quality of employment in order to reflect the issues that were raised at the CES plenary session in 2010 and in country reports;

(c) Develop operational definitions and guidelines for quality of employment indicators in two phases, beginning with dimensions 1-4 in the first phase and the more complex dimensions 5-7 in the second phase.

4. According to the time plan, the EGMQE submitted a progress report to the CES Bureau in autumn 2013 covering the first four dimensions. The final report should be submitted to the Bureau in autumn 2014 covering also dimensions 5-7. The final draft should be circulated for global consultation by the end of 2014, and subsequently presented to the CES plenary session in 2015 for endorsement.

5. The following countries and organisations are members of the EGMQE: Germany (Chair), Azerbaijan, Australia, Canada, Finland, France, Israel, Italy, Luxembourg, Republic of Moldova, Netherlands, Switzerland, Eurostat, Eurofound, ILO, OECD and Women in Informal Economy: Globalizing and Organizing (WIEGO). The group is open to countries who wish to contribute to the work.

6. In the first phase of work, the group revised the concept paper, revised the list of indicators for dimensions 1-4 and developed indicator sheets for dimensions 1-4. This present meeting ends the first phase of work and initiates the second phase, which will include the following steps:

(a) Finalisation of indicator list and sheets for dimensions 1-4;

(b) Revision of the list of indicators for dimensions 5-7;

(c) Development of indicator sheets for dimensions 5-7;

(d) Finalisation of work of the Expert Group on meeting 10-11 September 2014, Berlin, Germany;

7. A progress report of the work of the group was submitted to the 19th ICLS in October 2013.

III. The Statistical Framework for Measuring Quality of Employment

8. The draft Statistical framework for measuring quality of employment prepared by the EGMQE was presented by Mr. Johan van der Valk (Eurostat). There was general support for the proposed framework. The following comments were made:

9. The EGMQE should consider the communication and promotion of the framework to distinguish it from other existing frameworks and avoid confusions among users. It should also be communicated how to use the framework, including for international comparisons.

10. The selection of dimensions and indicators has been based on international and recognized research and experiences of statistical offices from a number of countries. While this has involved decisions and assessments required to establish the framework it was stressed that the framework should remain on the grounds of official statistics and avoid introducing any value judgements in connection with the use of the framework and the recommended indicators, leaving subjective issues to the users of the statistics. The framework should be transparent by explaining the research background and process for selection of dimensions and indicators and justify the selections made.

11. The dimensions of the framework were considered coherent and comprehensive and should be kept as they stand. Changes below that level, i.e. at sub-dimension and indicator levels, should be allowed to reflect changes and future emerging needs, as labour markets are constantly evolving. This flexibility should help to facilitate future updates and keep the framework relevant.

12. Participants were encouraged to provide written comments to Mr. Körner (thomas.koerner@destatis.de).

IV. Indicators for Measuring Quality of Employment

A. Sub-dimension 1a - Safety at work (Netherlands)

13. The following comments and conclusions were made:

(i) Indicator 1a2: Rate of nonfatal (with lost workdays) occupational injuries per 100,000 employed persons

14. It was agreed to drop the conditions of lost workdays. It was mentioned that not all injuries are reported and that the same person may have more than one injury (hence, the statistician should be careful in counting the cases of injuries rather than persons). The type of data source should also be taken into account and recommendations be provided in the indicator sheet.

(ii) Indicator 1a3: Percentage of employed persons working in hazardous economic activities and occupations

15. This indicator should be modified to self-reported exposure to hazardous work, since ' hazardous economic activities and occupations" will frequently not be defined at national level. Furthermore, referring to hazardous industries and occupations has the drawback that changes of safety at work within those industries and occupations will be overlooked. The self-reported information offers the advantage that it can be cross-tabulated with economic

activity and occupation in order to measure such changes. Consequently the new name of this indicator should be "Percentage of employed persons who are exposed to hazardous work". Still, it was agreed that if a suitable international definition exists, it should be used supplementarily. To this end ILO will check if there exists an international definition, based on ISCO. The indicator sheet should provide more information about interpretation, comparability and data sources.

(iii) Indicator 1a4: Percentage of employed persons who feel significant levels of stress related to their job

16. It was mentioned that stress has many dimensions, may have different causes and that there can be "good" and "bad" stress. Eurofound reported that they try to measure "mental well-being" by applying WHO definitions. It was agreed that the indicator should be changed to refer to mental well-being instead of stress.

B. Sub-dimension 1b - Child labour and forced labour (Moldova)

(i) Indicator 1b6: Percentage of employed or recently-employed migrant population who were deceived during recruitment to/by an employer should be broadened to refer to the percentage of employees in forced labour.

(ii) Indicator 1b7: Percentage of employed or recently-employed migrants who felt they were forced or coerced during their employment should refer to forced labour among returned migrants.

17. Concerning working excessive hours (indicators 1b3 and 1b4), it was mentioned that the recommendation of a threshold of 43 hours should be used only if there is no national legislation.

18. It was agreed that a distinction should not be made between "core" and "optional" indicators. The indicators are part of the statistical toolbox, from which the users can select indicators according to their needs.

C. Sub-dimension 1c - Fair treatment in employment (Germany)

(i) Indicator 1b6: Occupational segregation

19. It was agreed to include this as a context indicator. The interpretation of occupational segregation (e.g., by sex) is not straightforward and the indicator may potentially be misleading, in particular when relating to horizontal segregation. For instance, countries with relative high participation rate of women on the labour market are likely to have higher occupational segregation, while they actually offer more opportunities for women. Likewise, changing participation of women in certain sectors, e.g. construction, may be interpreted in different directions.

(ii) Indicator 1c2 Pay gap between groups

20. This indicator is also, to some extent, open to interpretation. While the possibility of using an adjusted pay gap measure was brought up, it was decided to maintain the indicator as it stands. The indicator sheet gives good advice to use adjusted data according to purpose.

21. Concerning the choice of data sources, establishment surveys and labour force surveys were found to have their advantages and disadvantages, depending on national statistical systems and conditions. The indicator sheet should not be too prescriptive on the use of a specific source but be open in its recommendation and mention main advantages/disadvantages.

22. Data sources and their relative advantages and drawbacks was suggested as a topic for the research agenda. Further work on dimension 1c, including the development of less conventional indicators such as self-perceived discrimination, was also suggested. As a first step in this direction, it was suggested to move the indicator Percentage of employed persons who feel that they have been a victim of discrimination at work from sub-dimension 7a to sub-dimension 1c.

D. Sub-dimension 2a - Income from employment (Canada)

(i) Indicator 2a4: Employment-related income of self-employed by deciles (local currency)

23. Several participants mentioned measurement problems due to lack of suitable data sources. However, it was agreed to keep the indicator on the basis that difficulties in data collection should not exclude the indicator from the framework.

24. The importance of using the correct terms was underlined. In the case of self-employed persons the correct term was income rather than earnings, since the latter by definition are only received by employees. Concerning breakdown, it was mentioned that education is of another nature than, e.g., sex or age, so breakdown by education does not in the same way reflect discrimination based on personal or group characteristics.

E. Sub-dimension 2b - Non-wage pecuniary benefits (Luxembourg)

25. The Expert Group should consider reducing the number of indicators for this sub-dimension. It was agreed to move indicator 2b8 Percentage of employees with supplemental medical insurance plan to sub-dimension 4b. The remaining indicators are to some extent related to other sub-dimensions for which reason the Expert Group should considered if some or all of the indicators should be moved to other sub-dimensions.

26. Statutory coverage should be considered as a context indicator. This could be an alternative indicator if the effective coverage is not available.

27. Focus should be on all employed persons, while disaggregating by status (e.g. self-employed and others) when this is useful. The indicator sheet should provide guidance on disaggregation, use of total employment, wage earners and full-time equivalents and on the interpretation of sick leave.

F. Sub-dimension 3a - Working hours (Finland)

28. For indicator 3a4 Employment by weekly hours usually worked (quintiles), instead of using specific quantiles, working hours should be indicated as the percentage of employed persons who work in standardized hour bands (e.g., 10-hour bands).

29. The broad majority was in favour of maintaining the concept of hours usually worked for the working time indicators in the context of quality of employment, compared to actual hours worked, since this was seen as the more relevant measure for the purpose of the framework. If no information on hours usually worked is available, actual hours worked may be used instead.

30. Involuntary part-time employment in connection with, e.g., child care might be addressed in sub-dimension 3c. Some of the indicators are closely linked. The Expert Group should avoid redundancy or overlap.

(i) Indicator 3a3 - Percentage of employed persons working few hours per week involuntary (Involuntarily part-time)

31. It was mentioned that this indicator might be replaced by the time-related underemployment rate. Still, the preference for the involuntary part-time rate was duly considered by the expert group at its 2012 meeting in Wiesbaden. Nevertheless, it was agreed that further developments of the concept of time-related underemployment in the context of the 19th ICLS should be followed closely by the group. Furthermore, time-related overemployment might also be considered as an additional indicator.

G. Sub-dimension 3b Working time arrangements (Switzerland)

32. In relation to indicator 3b4 - Percentage of employees with a flexible work schedule, it was noted that there are many different types of flexible working arrangements, including work from home, and it is not clear what exactly will be measured. Flexible arrangements may also involve risks.

33. It was agreed to keep indicator 3b4 as it stands and see what the experiences will be and then come back and reconsider this indicator. The indicator sheet should provide interpretation guidelines. For the time being, it was agreed to use a pragmatic approach for this indicator, distinguishing only three groups: Employed persons for whom the beginning and end of the working times is fully fixed, employed person who enjoy some flexibility and employed persons who can fully determine the begin and end of their working time. At the same time, the issue of working time arrangements should be added to the research agenda.

H. Sub-dimension 3c Balancing work and non-working life (Israel)

34. It was agreed to rename the sub-dimension "Work life balance".

35. For indicator 3c1 Percentage of parents receiving maternity/ paternity/ family leave benefits, there were proposals to split the indicator in two, covering maternity/paternity leave and family leave, respectively. It was agreed that the indicator should be marked as an experimental indicator. The Expert Group should consider adding a separate indicator for family leave. The discussion furthermore showed that parental leave benefits would be the more appropriate term compared to family leave benefits.

36. It was also agreed to maintain the age group 20-49 years. It should be mentioned in the indicator sheet that the limits should be considered in each country and the possibility of breaking down in sub-age groups.

37. A new indicator Percentage of employed persons entitled to paid leave for care responsibilities for children or adults should be added to sub-dimension 3c.

I. Sub-dimension 4a Security of employment (Italy)

38. Sub-dimension 4a is the most populated, with nine indicators, including two marked as experimental indicators. However, the indicators were found to provide a good and relevant description suitable for measuring security of employment. It was agreed that the number of indicators for a given sub-dimension should not be restricted as long as the indicators are considered relevant and useful.

39. When possible, the same denominator should be used across the indicators, since this will facilitate both compilation and interpretation of the indicators (i.e., in case of this sub-dimension the number of employed persons). This should also be mentioned in the indicator sheets.

40. The Expert Group should consider how to include and present the experimental indicators (which are different from the other indicators in this sub-dimension in that they

are actually composite indicators) and whether they should be kept in the list of indicators or moved to the list of research topics. The group should also include more explanations on interpretation and breakdowns in the indicator sheets.

41. Some concerns on the measurement and interpretation of precarious employment were raised, including its relation with informal employment, and also since the term "precarious" is often polarising in political debates. It was agreed that the Expert Group should take the result of the 19th ICLS, as well as a possible future revision of the International Classification of Status in Employment (ICSE-93), into account. The ICLS may also discuss issues on distribution of own-account workers on industries, the result of which should also be taken into account.

J. Sub-dimension 4b Social Protection (ILO)

42. For indicator 4b1 Percentage of economically active population contributing to a pension scheme, it was agreed to use employed persons as the denominator.

43. Following the advice of the ILO, Indicator 4b2 should refer to active contributors to unemployment insurance instead of persons covered by unemployment insurance. The notion of active contributors was, however, discussed at some length. It was not fully clear how to define this in practice, and being an active contributor may not necessarily mean that the person is (fully) entitled to benefits. The notion of active contributors should be clarified, possibly taking into consideration entitlement to benefits (ILO to investigate). Focus should be on measuring contributors to pension schemes, rather than those who receive payments from insurance schemes, since the former is an indicator of who are covered. It may also be difficult to measure who actually has a right to receive benefits/support. In addition, it should be made clear whether the indicator includes employees who pay into a group pension plan set up by their employers even if their employers do not make contributions on their behalf. If these individuals are included, some countries might choose to disaggregate further for employees, to show the number who benefit from employer contributions.

44. Indicator 4b3, Mean unemployment insurance payment as a percentage of mean earnings, should be moved to the context indicators, since it was not found to fit very well into the framework and would be difficult to break down.

45. The Expert Group should consider including as a context indicator the percentage of the economically active population contributing to a pension scheme. The Expert Group should consider adding two new indicators covering the contingency of health:

(i) Percentage of employed persons who are active contributors to a health insurance scheme;

(ii) Percentage of employed persons whose families are covered by a health insurance scheme through the employed person's contribution to the scheme.

46. Pension and health are important and should be included, although there are measurement problems and the national context has to be taken into account (e.g., in countries in which health insurance is not linked to the employment relationship).

47. It was mentioned that pensions may be salary based, based on solidarity or based on investment schemes. Contributions can be compulsory or voluntary, and in some cases the employers provide contributions to pension schemes. It would be useful if the indicator schemes could provide more clarification in these areas. The indicators should, in principle, cover all arrangements.

48. The Expert Group should consider whether other social protection indicators should be included in this sub-dimension (e.g., disability, childcare, employment injury). If so, they should most likely be included as part of the context indicators.

K. Suggested context indicators

49. The context indicators and the legal indicators were found to provide useful information to the users of the framework and will often have to be taken into account when assessing the quality of employment in a given country. Nevertheless, it was stressed that it has to made clear that the context indicators facilitate the interpretation of the quality of employment indicators and should not be seen as providing information on quality of employment alone. It was agreed that the number of statistical context indicators should be reduced and redundancy avoided. The statistical context indicators should be removed from the list of indicators and grouped separately, probably not even presented as indicators but rather as areas to be considered. The form of presentation should clearly show that they are to be used as background information.

50. The legal indicators should not be presented as indicators but as background information. The framework should rest on the grounds of official statistics and not be tied or linked to any specific legislation, which should be made clear in the presentation of the legal background information. It is important to underline that the context indicators and the legal background information is provided only as suggestions, which may be taken into account.

V. Review of indicators for dimension 5 - Social dialogue

51. Under this session there were two presentations: Monica Castillo (ILO) made a presentation of the organisation's work on measurement of social dialogue through statistical and legal framework indicators. Jean Ries (Luxembourg) presented their experiences with developing social dialogue indicators in Luxembourg, for instance based on the LFS and the SES. The following comments and conclusions were made:

(a) The indicators on social dialogue are important to complete the picture of quality of employment. They are, at the same time, dependent upon the context. The Expert Group should consider the following indicators for inclusion:

(i) Trade union density rate;
(ii) Percentage of enterprises belonging to an employers' organization;
(iii) Collective bargaining coverage rate;
(iv) Days not worked due to strikes and lockouts.

(b) It was mentioned that in some instances there may be problems with reliable sources for trade union membership. The LFS is not always a suitable source for "sensitive" questions because of non-response. Also, the data availability on membership in employers' organizations is limited in many countries. Nevertheless, it was considered appropriate to accompany the trade union density rate by the percentage of enterprises belonging to an employers' organization.

(c) Although their interpretation is not straightforward, sources on strikes should also be considered. In particular, it may be difficult to cover local strikes and the results could be influenced by the source (e.g., employer based vs. trade union based). An increase in the numbers of days not worked because of strikes does not necessarily reflect an increase or decrease in quality of employment. The indicator may be considered differently and should be interpreted with care. Background information on whether strikes are allowed would be relevant to include.

VI. Review of indicators for dimension 6 - Skills development and training

52. Hanna Sutela (Finland) presented the experiences from work, mainly based on the Finnish Quality of work life survey, on how skills development and training contributes to quality of employment. During the discussion, the following points were made:

(a) It would be helpful to define more precisely what is meant by training. To what extent, for example, should this also cover informal training and learning at the job arrangements? Informal training and learning at the job arrangements are often as important as (and sometimes more important than) formal training, but may be difficult to measure. Teamwork is also important, and people report that they learn from this in the Eurofound company survey.

(b) It was pointed out that the amount of resources used for training/learning may not necessarily reflect the outcome or usefulness of the activities. The outcome or usefulness of training/learning in terms of "Employability" should be a main focus of this dimension, complementing the input perspective with an output perspective

(c) Indicators on over- or under-qualification were questioned because of conceptual and measurement problems and ambiguous interpretation. In this context, the use of cross-tabulations of ISCO and ISCED codes was also discussed as potential measures for over- and under-qualification; it was mentioned that cross classifying ISCO/ISCED appears problematic. Switzerland reported that it conducted and published analyses on over- and under-qualification in the past, based on ISCO and level of qualification required for the job, in the context of the Structure of Earnings Survey (SES).

(d) It was concluded that the indicators on skills development and training should be revised based on the input received from the discussion. Suitable candidates may include the percentage of employed persons having received job training, the number of training days, job training by type of training, informal training activities at work as well as the self-perceived use of training. Some doubts were expressed whether the percentage of employed persons in high-skilled occupations could be interpreted as a quality of employment indicator (or rather be included as context information).

VII. Review of indicators for Dimension 7 - Work motivation and workplace relationships

53. Greet Vermeylen (Eurofound) presented the findings of Eurofound surveys on work motivation and workplace relationships and the experiences gained on conceptual and measurement issues. The following comments and conclusions were made:

(a) The Expert Group should take the proposed list of indicators as its starting point and identify those indicators with largest impact on the well-being of employed persons;

(b) Dimension 7 is often seen as a "soft" dimension and therefore sometimes subject to criticism. Still, many surveys show that work motivation and workplace relationships are vital for the well-being and satisfaction of workers. The Expert Group should be careful in the selection of the indicators, which needs to be well justified. It would be useful to investigate possible links to work on well-being to substantiate and justify the selection of indicators;

(c) The indicator on work satisfaction should be dropped, as questions on satisfaction in surveys tend to give very similar results;

(d) Work autonomy is an important positive driver but may sometimes also involve some stress;

(e) The proposed indicator on self-perceived discrimination may be moved to dimension 1.

(f) It should be considered how the self-employed may be covered, by elaborating the proposed indicators or by adding new ones suitable for the self-employed;

(g) It may be difficult to cover this dimension, and responses may have to be collected from a number of different surveys (e.g., on health), which are not necessarily available on regular basis. It was also mentioned that this differs from quality of work since one person can have multiple jobs and satisfaction can be different with each job. An alternative indicator to consider would be the share of employed who wish to change their job, which may be available from the LFS.

(h) It was proposed to form a small working group to come up with a proposal of indicators for 4b. OECD is working on this area already and volunteered to join the group.

VIII. On-going work on measuring quality of employment

54. Under this session three presentations were made, by Radosław Antczak (Poland), Anne Saint-Martin (OECD) and Greet Vermeylen (Eurofound).

55. Poland presented its experiences with employment quality indicators, data sources and composite indicators.

56. In the following discussion, it was found that while composite indicators provide a quick overview and are often requested by users, there are also a number of problems associated with such aggregated measures. Composite indicators can only be compiled if the underlying indicators can be given clear interpretation as good/bad. Quality of employment is multidimensional and the different dimensions and their development are important. A composite indicator would tend to shadow this.

57. It was agreed to consider composite indicators as a topic for possible future research. Composite indicators might, for instance, be constructed at dimension or sub-dimension level, and the framework could provide recommendations of how they should be compiled. The experiences on composite indicators from ILO's Decent Work Framework should be taken into account.

58. OECD reported on its work on employment quality in the How's life? framework for measuring well-being. The following comments were made:

(a) It is often difficult to distinguish between the drivers and the results of quality of employment;

(b) For unemployment benefits, it is also necessary to look at the duration for which these benefits are granted.

(c) It is important to benefit from existing initiatives on quality of employment and at the same time avoid overlapping work. The need for close cooperation among the different initiatives was therefore underlined;

(d) The Expert Group should consider how to present the framework to users in government, experts as well as the public at large. It was mentioned that the number of different frameworks might risk confusing users. The Expert Group should consider how to address this in the communication of the framework;

(e) Eurofound presented an overview of its work on job quality and well-being of workers. Countries were encouraged to provide samples to Eurofound.

IX. Summary and conclusions

59. The chair of the meeting summarized the main conclusions of the sessions. A revised list of suggested indicators, taking the comments and decisions of the meeting into account, will be distributed.

60. It was agreed to include a section in the framework where the indicators are explained by sub-dimension.

61. The experimental indicators should be moved down/separated within each dimension.

62. The Expert Group should carefully consider how to communicate and promote the Statistical Framework. It should also consider new ways of disseminating the indicators.